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DISPATCH NO. HGG-A-651

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CLASSIFICATION

TO : Chief, WHD

DATE: 1 JAN 18 1954

FROM : Chief of Station, Guatemala

INFO: Lincoln

SUBJECT: GENERAL— PBSUCCESS

SPECIFIC— Views of Col. Elfego MONZON on Current Political Situation

Attached for the information of Headquarters and Lincoln is a copy of a memorandum prepared by Mr. William L. KRIEG, Counsellor of Embassy, and dated 14 January 1954 concerning the above subject. It is thought that it may be of interest in connection with this project.

[Clara M. Heagey]

Enclosure:
Memo as noted

15 January 1954

CMH

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MEMORANDUM

FROM: William L. Krieg

DATE: January 14, 1954

SUBJ: Views of Colonel Elfego MONZON on Current Political Situation

The same American citizen who recently reported to Mr. Wardlaw that Colonel Elfego Monzón, Minister without Portfolio, had told a group near Brito, Department of Escuintla, that the time was not ripe for a move against the Government, called at my office today and said that his friend, who is also a close friend of Monzón, had had a three-hour talk with him and obtained the impression that Monzón thought conditions had to become worse here before the Army would act against the Arbenz Government and that if a revolt were attempted by opposition elements, the Government would bring thousands of Indians into Guatemala City and that a massacre of white and middle class elements would result.

According to the friend, he approached Colonel Monzón with an offer of substantial financial backing if Colonel Monzón would lead a movement against the Government. Monzón had replied by reiterating that the time was not ripe but that he believed that in four or five months if things continued their present course, the leaders of the Army would go to Arbenz and tell him he was "out." The friend had pressed Monzón for his view on what combination of circumstances would cause the Army officers to act, and Colonel Monzón had replied, "Let us hope that there is a strong economic pressure on Guatemala." Monzón had repeatedly emphasized that the Army was anti-Communist and that it was deeply concerned over the growth of Communist power.

In the course of the conversation Colonel Monzón had said he understood that Guatemalan exiles and others were planning a revolt and that he feared it would result in a tremendous amount of bloodshed. He had referred in this connection to the fact that during the revolt which followed the assassination of Colonel Arana in 1949, President Arévalo had started to have thousands of Indians from the Patzún-Patzicía area brought into the City; that Monzón, who was directing the Government forces, had been able to stop this attempt, but that he believed the Government would, if faced with a serious situation,

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resort to the same device with possibly disastrous results which would leave a scar on the Guatemalan body politic for years to come.

My informant's friend was impressed by the circumstance that up to a year ago Colonel Monzón had been a stout defender of the Arbenz administration. Now he received the impression that Monzón would do nothing to save the Government should it be threatened.

The informant went on to say that he had begun to reconsider his earlier opposition to some sort of U.S. embargo on Guatemalan coffee in the light of Colonel Monzón's remark about economic pressure. As he did not think an Act of Congress or a voluntary agreement among coffee importers feasible, he suggested that "red worms" (gusanos rojos) might be found in Guatemalan coffee by the sanitary inspectors. In reply to questions he said title to coffee passes to the U.S. purchaser when coffee is delivered at a railroad station in Guatemala and that the export tax (\$8.00 per sack) became due when the coffee passed through the Guatemalan port. Hence the initial impact of finding gusanos in the coffee would fall on the U.S. purchaser rather than on the grower or the Guatemalan Government. Eventually, of course, such measures would discourage importers from buying Guatemalan coffee. If some way could be found to stop buying Guatemalan Government coffee, this would be even more effective, but neither of us could think of a practical way of doing this.

WLKrieg:rd

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